

ATTORNEY GENERAL THREE POINT INITIATIVE PREPARING FOR RISING HEATING COSTS

1. *Everyone deserves a warm home this winter*

- Transfer \$15 million from the surplus gasoline tax revenue to a special fund for energy assistance and dedicate to this fund any civil penalties recovered by the state against any gasoline retailer, wholesaler or refiner for price gouging.

Connecticut annually distributes approximately \$45 million in federal energy assistance funds. This year, the national average cost of heating a home will rise by \$400-\$600 requiring more families to seek assistance. Increased costs for heating oil and for natural gas needs this year will clearly exceed last year's federal grants of \$47 million under the Low Income Home Energy Assistance Program (LIHEAP) will be inadequate to ensure that families are warm this winter. Our Congressional delegation is seeking additional federal funding for LIHEAP. Whether such additional funds will be available remains uncertain. The Comptroller is predicting that the gasoline tax will produce \$40 million more in revenue than estimated for budget purposes. \$15 million should be placed in the fund for use to the extent that federal funds are inadequate to meet the need.

2. *Reduce residential energy usage*

- Promote energy conservation by funding outreach programs to make residential homes more energy efficient; provide matching grants with energy companies to fund energy conservation programs, specifically low cost loans for highly efficient furnaces; eliminate the sales tax on such furnaces.

Many homes could benefit from installing energy efficient windows and furnaces as well as lower cost items such as weatherstripping, caulking and more effective thermostats. Many residents do not fully understand how much fuel they can save and how much each step would cost. A simple brochure with a checklist containing the approximate cost of each step and the approximate energy savings would encourage more residents to reduce energy usage. In some cases, low or no interest loans would greatly assist homeowners to pay for more energy efficient systems. The state could team with local financing authorities to offer loans such as no-interest loans for up to 4 years for specific energy efficient products designated by the state based on their energy savings. Electric and natural gas companies have existing conservation programs. The state can leverage existing utility funds to provide even greater incentives for people to become more energy efficient.

3. Reduce commercial and industrial energy usage

- Restore all funds transferred by the state out of the Energy Conservation and Load Management Fund -- making maximum financial resources available to reduce energy usage by large users.

The Energy Conservation and Load Management Fund has invested hundreds of millions of dollars to reduce energy usage, saving annually more than 291 million kilowatt hours of electricity. These savings are the equivalent of reducing oil consumption by 19 million gallons while making businesses more efficient and competitive and residents more energy efficient. Unfortunately, the state has diverted \$12 million from this fund this year. These funds should be restored so the Fund has the resources to continue to lessen Connecticut's energy dependence. The money comes from consumers themselves -- through charges on their bills -- and should be used for their benefit, rather than diverted to the state's General Fund.